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**Baker-Polito Administration Secures Year-Round Insurance Flexibility
for Small Businesses**

***Decision Prevents Disruption, Cost Increases for 80,000 Employers, 470,000
Employees***

BOSTON – Governor Charlie Baker announced today Massachusetts has received permission from the federal Centers for Medicare and Medicaid Services to continue to allow small businesses to buy insurance year-round, maintaining state-based reforms and preventing disruption and cost increases for over 80,000 employers and over 470,000 employees.

Today, 90 percent of small employers in Massachusetts' merged insurance market – composed of individuals and small-business groups – buy their coverage during a month other than January. Under new federal rules, these employers would have needed to switch to calendar-year enrollment – a switch that the Commonwealth estimates could increase employees' health cost-sharing by up to 23 percent.

"For over a decade now, the Commonwealth's small businesses have depended on market flexibility in making the best decisions for their success, growth and employees," **said Governor Baker**. "We are pleased to reach this important decision with the federal government, maintaining this flexibility and allowing small businesses to consider their unique needs in choosing what time of year they purchase coverage for their employees."

Under the agreement brokered in response to a request issued by Massachusetts officials from the Massachusetts Health Connector Authority and Division of Insurance, the Commonwealth can maintain existing practices in its merged market. Businesses in Massachusetts can continue to renew or purchase health insurance for employees at any time during the year, and health insurance carriers can continue refreshing small-group rates on a quarterly basis to serve those businesses. Through detailed discussions regarding potential areas of state flexibility, there was clear stakeholder consensus that these current practices are essential to maintaining Massachusetts' robust health insurance market.

In 2007, as part of the state's comprehensive health reform process, Massachusetts merged its individual and small-group markets. Rates for individuals are set once per year, starting January 1. For small groups, carriers can update premium rates on a quarterly basis. Continuing the state's unique structure was determined important because it promotes affordability for individuals while maintaining familiar enrollment cycles for businesses.

The Commonwealth and CMS determined that the current structure of the merged market satisfies the Affordable Care Act's risk pool and enrollment requirements, and provides an equivalent level of consumer protection.

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